

5204292

12.3.105 v1
12.3.55 v1
12.2.1.107 v1

Panel 16

DEED

THIS INDENTURE made this 9th day of September, 1960, between
COMMERCIAL WATERWAY DISTRICT NO. 1 OF KING COUNTY, STATE OF WASHINGTON,
a municipal corporation, Grantor, and ARTHUR BRINSMEAD, Grantee, re-
cites:

WHEREAS, Commercial Waterway District No. 1 of the County of King, State of Washington, is a public corporation duly organized and existing under and by virtue of the laws of the State of Washington relating to commercial waterways; and

WHEREAS, on the 1st day of July, 1960, the Commissioners of Commercial Waterway District No. 1 of King County, State of Washington, at a meeting regularly called for the purpose, made an order authorizing and directing that notice be given in accordance with law of a hearing before said board as to the advisability of making sale of the said property hereinafter described, the hearing to be held on the 5th day of August, 1960, at 1221 Bailey Street, Seattle, Washington, and

WHEREAS, the said board, deeming it advisable to have such a hearing did thereupon duly direct that notice of such hearing be published and posted for the time and in the manner required by law, and in accordance therewith, such notice was duly given by posting and publishing for the time and in the manner required by law, and due proof thereof by affidavits was duly made and filed in the office of said Commercial Waterway District before the time of said hearing, which said affidavits are now on file and of record in the minutes of said district; and

WHEREAS, at the said hearing at the time and place above specified, the said board did deem it advisable to sell the said property; and

WHEREAS, at a meeting held on the 5th day of August, 1960, said board passed a resolution to sell the real property hereinafter described at public auction on the 31st day of August, 1960, at the Jefferson Street entrance of the King County Court House, in Seattle, King County, Washington, to the highest and best bidder for cash or on terms, and did authorize the Treasurer of the said King County, Washington, to act for the said Commercial Waterway District No. 1 in conducting the said sale; and

WHEREAS, notices of the said sale fixing the time and place and manner of said sale were thereupon directed by said board to be given, and were thereafter, in the manner and for the time required by law, namely by publishing and posting the same in the manner provided by law with reference to the sale by boards of county commissioners of any real estate belonging to counties of the state; and, whereas, affidavits of such publishing and posting of notices were filed of record in the office of said Commercial Waterway District No. 1 before the time fixed for conducting said sale; and



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WHEREAS, at the time and place specified in said notice of sale, the said Treasurer of King County, Washington, acting for said Commercial Waterway District No. 1, did at public auction sell the real estate hereinafter described to ARTHUR BRINSMEAD for Two Thousand One Hundred Forty-seven Dollars and Ninety-eight Cents (\$2,147.98) cash.

NOW, THEREFORE, the sale having been performed and under the authority as above specified, Commercial Waterway District No. 1 of King County, State of Washington, for and in consideration of the sum of Two Thousand One Hundred Forty-seven Dollars and Ninety-eight Cents (\$2,147.98), the receipt of which is hereby acknowledged, hereby bargains, sells, conveys and confirms unto said Arthur Brinsmead, the following described real estate situated in King County, Washington, to-wit:

All that portion of the abandoned bed of the Duwamish River lying within the northwest quarter of section 29, township 24 north, range 4 east, W.M., in King County, Washington, described as follows:

Beginning at a point of intersection of the easterly line, produced south, of lot 2, block 30, Joseph R. McLaughlin's Water Front Addition to the City of Seattle, according to plat recorded in volume 13 of plats, page 28, in King County, Washington, with the government meander line on the north bank of the Duwamish River; thence south, along said lot line produced, 82.33 feet to the true point of beginning; thence south 86°42'38" west 447.50 feet; thence south 65°05'13" west 387.77 feet to the east boundary line of the Duwamish Waterway; thence south 43°32'00" east along said east boundary line to a point of intersection with the government meander line on the south bank of the Duwamish River; thence north 41°30' east 45.24 feet along said meander line; thence north 67°15' east along said meander line 290.00 feet; thence north 85°15' east along said meander line 398.46 feet; thence south 80°50' east along said meander line 42.15 feet to a point which bears south of the true point of beginning; thence north 82.33 feet to the true point of beginning.

DATED at Seattle, Washington, this _____ day of September, 1960.

COMMERCIAL WATERWAY DISTRICT NO. 1
OF KING COUNTY, STATE OF WASHINGTON

By Napht M. McLaughlin
Chairman

By C. [Signature]
Secretary

Napht M. McLaughlin
Commissioner

[Signature]
Commissioner

Charles W. Richardson
Commissioner



STATE OF WASHINGTON }
COUNTY OF KING } SS.

THIS IS TO CERTIFY that on the 22 day of September, 1960, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally came CHARLES W. RICHESON, RALPH M. BELLINGER and A. C. TRAVERSO, to me known to be the Commissioners of Commercial Waterway District No. 1 of King County, Washington, and RALPH M. BELLINGER and A. C. TRAVERSO, to me known to be the Chairman and Secretary, respectively, of Commercial Waterway District No. 1 of King County, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Edward P. Jones
Notary Public in and for the State
of Washington, residing at Seattle.

For Record *Sept 22 1960 5:49 p.m.*
Request of *James R. Jones*
ROBERT A. MORRIS, County Auditor

KING COUNTY
NO EXCISE TAX

AUG 24 1988

E1018002

THIS SPACE PROVIDED FOR RECORDER'S USE:

RECEIVED THIS DATE

AUG 24 1988 5:11 PM '88

BY THE CLERK OF THE COURT
CLERK OF THE COURT
CLERK OF THE COURT
RECD F 27.00
CASHSL

#1134 1A

***27.00
11

FILED FOR RECORD AT REQUEST OF

Evergreen Marine Leasing, Inc.
999 Third Avenue
Seattle, Washington 98104

WHEN RECORDED RETURN TO

Name: Riddell, Williams, Bullitt & Walkinshaw
Attn: Liz Deane

Address: 1001 Fourth Ave. Plaza, Suite 4400

City, State, Zip: Seattle, WA 98154

Statutory Warranty Deed

27.00

THE GRANTOR Marine Power & Equipment Co., Inc.

for and in consideration of in lieu of foreclosure and pursuant to order of the U.S. Bankruptcy Court for the Western District of Washington, Cause No. 86-01091-W11 in hand paid, conveys and warrants to Evergreen Marine Leasing, Inc.

the following described real estate, situated in the County of King, State of Washington:

See Exhibit A attached

Subject to the following:

1. Real property taxes for the years 1985 through 1988 on Parcels D, E, and F of the real property described on Exhibit A.
2. Exceptions 3-20, 23-30, and 33-35 on the Commitment for Title Insurance and Supplemental Title Reports attached hereto as Exhibit B.

FILED FOR RECORD AT REQUEST OF
TRANSAMERICA TITLE
INSURANCE COMPANY
327 Third Ave. N.E.
P.O. BOX 1493
Bellevue, WA 98009

Dated August 19, 1988

MARINE POWER & EQUIPMENT CO., INC.

By: Richard C. Woeck
Its: President

STATE OF WASHINGTON
COUNTY OF King

On this day personally appeared before me

to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that signed the same as free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this day of August, 1988

Notary Public in and for the State of Washington, residing at Seattle

STATE OF WASHINGTON
COUNTY OF King

On this 19th day of August, 1988, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Richard C. Woeck,

and to me known to be the President of Marine Power & Equipment Co., Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

M. Elizabeth Deane
Notary Public in and for the State of Washington, residing at Seattle

My commission expires: 3-20-89

EXHIBIT A

DESCRIPTION:

PARCEL A:

THAT PORTION OF L.M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF EAST MARGINAL WAY SOUTH AND CORSON AVENUE SOUTH;
THENCE NORTH 49°00'00" WEST ALONG THE CENTERLINE OF EAST MARGINAL WAY SOUTH 300.08 FEET;
THENCE NORTH 89°58'06" WEST 812.81 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;
THENCE CONTINUING NORTH 89°58'06" WEST 839.41 FEET TO THE EASTERLY LINE OF COMMERCIAL WATERWAY NO. 1;
THENCE NORTH 43°32' WEST ALONG SAID EASTERLY LINE 262.22 FEET;
THENCE SOUTH 89°58'06" EAST 839.41 FEET;
THENCE SOUTH 43°32' EAST 262.22 FEET TO THE TRUE POINT OF BEGINNING;

(ALSO BEING KNOWN AS TRACTS 6 AND 7, AND THAT PORTION OF PUBLIC WHARF ADJOINING ON THE WEST OF SAID TRACTS IN KING COUNTY INDUSTRIAL TRACTS, ACCORDING TO THE UNRECORDED PLAT THEREOF;)

AND THE NORTH 1/2 OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF L.M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF EAST MARGINAL WAY SOUTH WITH THE CENTERLINE OF CORSON AVENUE SOUTH;
THENCE NORTH 49°00'00" WEST ALONG THE CENTERLINE OF EAST MARGINAL WAY SOUTH, A DISTANCE OF 300.08 FEET;
THENCE NORTH 89°58'06" WEST TO THE SOUTHWESTERLY LINE OF FOX AVENUE SOUTH, AS ESTABLISHED BY ORDINANCE NO. 78819 AND ORDINANCE NO. 90327 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 89°58'06" WEST TO THE NORTHEASTERLY MARGIN OF THE DUWAMISH WATERWAY;
THENCE SOUTH 43°32'00" EAST ALONG SAID MARGIN, A DISTANCE OF 110.41 FEET;
THENCE SOUTH 89°58'06" EAST TO SAID SOUTHWESTERLY LINE OF FOX AVENUE SOUTH;
THENCE NORTH 43°32'00" WEST ALONG SAID SOUTHWESTERLY LINE TO THE TRUE POINT OF BEGINNING;

SAID NORTH 1/2 BEING A STRIP OF LAND 40 FEET IN WIDTH AND PREVIOUSLY DESCRIBED AS THE NORTH 1/2 OF WILLOW STREET ADJOINING ON THE SOUTH AND LYING WESTERLY OF THE SOUTHWESTERLY LINE OF FOX AVENUE SOUTH;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

PARCEL B:

THAT PORTION OF L.M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF CORSON AVENUE SOUTH AND EAST MARGINAL WAY SOUTH IN THE CITY OF SEATTLE;

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THENCE NORTH 49°00' WEST ALONG THE CENTERLINE OF SAID EAST MARGINAL WAY 658.39 FEET;

THENCE NORTH 89°58'06" WEST ALONG THE NORTH LINE OF WILLOW STREET SOUTH (NOW KNOWN AS SOUTH BRIGHTON STREET) (45 FEET WIDE) IN THE RECORDED PLAT OF KING COUNTY INDUSTRIAL TRACTS, 765.70 FEET TO THE TRUE POINT OF BEGINNING OF THE DESCRIPTION OF THE LAND HEREIN CONVEYED;

THENCE CONTINUING NORTH 89°58'06" WEST 839.41 FEET TO THE EAST LINE OF COMMERCIAL WATERWAY NO. 1;

THENCE SOUTH 43°32' EAST ALONG SAID EAST LINE 62.11 FEET;

THENCE SOUTH 89°58'06" EAST ALONG THE SOUTH LINE OF SAID WILLOW STREET SOUTH (NOW KNOWN AS SOUTH BRIGHTON STREET) 839.41 FEET;

THENCE NORTH 43°32' WEST ALONG THE WEST LINE OF FOX AVENUE (40 FEET WIDE) IN SAID UNRECORDED PLAT, 62.11 FEET TO THE TRUE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

PARCEL C:

THAT PORTION OF THE WEST 1/2 OF THE L.M. COLLINS DONATION CLAIM NO. 46, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., AND OF THE ABANDONED BED OF THE DUWAMISH RIVER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF CORSON AVENUE SOUTH WITH THE CENTERLINE OF EAST MARGINAL WAY SOUTH;

THENCE NORTH 49°00' WEST ALONG SAID CENTERLINE OF EAST MARGINAL WAY SOUTH 658.39 FEET;

THENCE NORTH 89°58'06" WEST 765.70 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 43°32' WEST 500 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF A TRACT CONVEYED TO ARTHUR BRINSMEAD BY DEED RECORDED UNDER RECORDING NO. 5204292;

THENCE NORTH 85°15' EAST ALONG SAID SOUTHERLY LINE TO AN ANGLE POINT THEREIN;

THENCE SOUTH 80°50' EAST 42.15 FEET TO THE SOUTHEASTERLY CORNER OF SAID BRINSMEAD TRACT;

THENCE NORTH 82.33 FEET TO THE NORTHEAST CORNER THEREOF;

THENCE ALONG THE NORTH LINE THEREOF SOUTH 86°42'38" WEST 447.50 FEET AND SOUTH 65°05'13" WEST 387.77 FEET TO THE EASTERLY BOUNDARY OF DUWAMISH WATERWAY;

THENCE SOUTH 43°32'00" EAST ALONG SAID EASTERLY BOUNDARY TO A POINT WHICH BEARS NORTH 89°58'06" WEST FROM THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89°58'06" EAST 835 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

PARCEL D:

THOSE PORTIONS OF LOTS 1, 2, 3, 4, 5, 9, 10, 11 AND "D" IN BLOCK 6;

AND TRACTS 5, 6, 7, 8, 9 AND 10;

AND VACATED SOUTH WEBSTER STREET AND VACATED SOUTH PONTANELLE STREET;

ALL IN DUWAMISH INDUSTRIAL ADDITION TO THE CITY OF SEATTLE, AS PER PLAT RECORDED IN VOLUME 21 OF PLATS, PAGE 65, RECORDS OF KING COUNTY;

AND THAT PORTION OF SLIP NO. 4 OF THE ABANDONED BED OF THE DUWAMISH RIVER, ALL LYING WITHIN THE FOLLOWING DESCRIPTION:

BEGINNING AT THE INTERSECTION OF THE CENTERLINES OF SOUTH PONTANELLE STREET AND EIGHTH AVENUE SOUTH;

Parcel 16

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THENCE NORTH 00°08'57" WEST ALONG THE CENTERLINE OF EIGHTH AVENUE SOUTH, A DISTANCE OF 125.00 FEET;
THENCE SOUTH 89°58'57" EAST, A DISTANCE OF 50.00 FEET TO THE TRUE POINT OF BEGINNING, AT A POINT IN THE WEST LINE OF LOT 9 IN SAID BLOCK 6, SAID POINT BEING ON THE EAST MARGIN OF EIGHTH AVENUE SOUTH, A DISTANCE OF 150.00 FEET SOUTH OF THE CENTERLINE OF SOUTH OTHELLO STREET, MEASURED AT RIGHT ANGLES FROM SAID CENTERLINE;
THENCE SOUTH 89°58'57" EAST, A DISTANCE OF 859.97 FEET TO THE MEDIAN LINE OF SLIP NO. 4, AS SAID MEDIAN LINE IS DESCRIBED IN INSTRUMENT RECORDED UNDER RECORDING NO. 4477307;
THENCE SOUTH 12°43'13" WEST ALONG SAID MEDIAN LINE, A DISTANCE OF 399.37 FEET;
THENCE CONTINUING ALONG SAID MEDIAN LINE SOUTH 42°00'00" WEST, A DISTANCE OF 438.00 FEET;
THENCE CONTINUING ALONG SAID MEDIAN LINE SOUTH 55°21'36" WEST, A DISTANCE OF 290.27 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE DUWAMISH WATERWAY;
THENCE NORTH 49°00'00" WEST ALONG SAID NORTHEASTERLY LINE, A DISTANCE OF 317.64 FEET TO THE EAST MARGIN OF EIGHTH AVENUE SOUTH, FORMERLY CARLETON AVENUE, AS SHOWN ON SAID DUWAMISH INDUSTRIAL ADDITION PLAT;
THENCE NORTH 00°08'57" WEST ALONG SAID EAST MARGIN, A DISTANCE OF 670.44 FEET TO THE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

PARCEL E:

THAT PORTION OF THE SOUTHEAST 1/4 OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M. DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHWESTERLY MARGIN OF EAST MARGINAL WAY SOUTH, WITH THE NORTH MARGIN OF SOUTH WEBSTER STREET, AS PER PLAT RECORDED IN VOLUME 11 OF PLATS, PAGE 30, RECORDS OF KING COUNTY;
THENCE NORTH 49°00'12" WEST ALONG SAID SOUTHWESTERLY MARGIN 519.00 FEET;
THENCE SOUTH 40°59'48" WEST 10.00 FEET;
THENCE NORTH 49°00'12" WEST, PARALLEL WITH SAID SOUTHWESTERLY MARGIN, 75.00 FEET;
THENCE NORTH 40°59'48" EAST 10.00 FEET TO SAID SOUTHWESTERLY MARGIN;
THENCE NORTH 49°00'12" WEST ALONG SAID SOUTHWESTERLY MARGIN, 35.00 FEET;
THENCE SOUTH 23°43'29" WEST 62.83 FEET;
THENCE NORTH 49°00'12" WEST 98.86 FEET;
THENCE NORTH 40°59'48" EAST 60.00 FEET TO SAID SOUTHWESTERLY MARGIN;
THENCE NORTH 49°00'12" WEST ALONG SAID SOUTHWESTERLY MARGIN, 282.19 FEET;
THENCE SOUTH 12°43'13" WEST 110.77 FEET;
THENCE SOUTH 49°00'12" EAST 39.89 FEET TO THE REVISED MEDIAN LINE OF SLIP NO. 4 OF THE DUWAMISH WATERWAY;
THENCE SOUTH 12°43'13" WEST ALONG SAID REVISED MEDIAN LINE, 437.23 FEET;
THENCE CONTINUING ALONG SAID MEDIAN LINE, SOUTH 42°00'00" WEST 143.35 FEET;
THENCE SOUTH 52°16'07" EAST 107.89 FEET TO A POINT IN THE ORIGINAL EASTERLY BOUNDARY OF SLIP NO. 4;
THENCE SOUTH 89°23'38" EAST, 200.21 FEET ALONG THE WESTERLY PRODUCTION OF THE SOUTH LINE OF LOT 7 AND ALONG THE SOUTH LINE OF SAID LOT IN BLOCK 43 OF RIVER PARK ADDITION, AS PER PLAT RECORDED IN VOLUME 7 OF PLATS, PAGE 41, RECORDS OF KING COUNTY, TO THE SOUTHEAST CORNER OF SAID LOT;
THENCE NORTH 00°32'22" EAST, 68.00 FEET ALONG THE EAST LINE OF SAID LOT AND THE WEST LINE OF BLOCK 3 OF ABRAHAM'S ADDITION, AS PER PLAT RECORDED IN VOLUME 11 OF PLATS, PAGE 30, RECORDS OF KING COUNTY, TO THE SOUTH MARGIN OF SAID

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SOUTH WEBSTER STREET;

THENCE SOUTH 89°23'38" EAST ALONG SAID MARGIN 276.00 FEET TO A POINT IN A LINE PARALLEL TO AND 104.00 FEET WEST OF THE CENTERLINE OF 12TH AVENUE SOUTH;

THENCE NORTH 00°32'22" EAST ALONG SAID PARALLEL LINE, 24.00 FEET TO THE NORTH MARGIN OF SAID SOUTH WEBSTER STREET;

THENCE SOUTH 89°23'38" EAST ALONG SAID NORTH MARGIN 372.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

PARCEL F:

LOTS 1 THROUGH 7 AND LOTS 22 THROUGH 29 AND LOT C IN BLOCK 5 OF DUMAMISH INDUSTRIAL ADDITION TO THE CITY OF SEATTLE, AS PER PLAT RECORDED IN VOLUME 21 OF PLATS, PAGE 65, RECORDS OF KING COUNTY;

TOGETHER WITH THE NORTH 1/2 OF VACATED OTHELLO STREET ADJOINING;

ALSO THAT PORTION OF LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, AND D IN BLOCK 6 OF DUMAMISH INDUSTRIAL ADDITION TO THE CITY OF SEATTLE, AS PER PLAT RECORDED IN VOLUME 21 OF PLATS, PAGE 65, RECORDS OF KING COUNTY, LYING NORTH OF A LINE PARALLEL TO AND 125 FEET SOUTH OF WHEN MEASURED AT RIGHT ANGLES TO THE SOUTH MARGIN OF SOUTH OTHELLO STREET;

TOGETHER WITH THE SOUTH 1/2 OF VACATED OTHELLO STREET ADJOINING;

ALSO THAT PORTION OF LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 AND D IN BLOCK 6 OF DUMAMISH INDUSTRIAL ADDITION TO THE CITY OF SEATTLE, AS PER PLAT RECORDED IN VOLUME 21 OF PLATS, PAGE 65, RECORDS OF KING COUNTY, LYING NORTH OF A LINE PARALLEL TO AND 125 FEET SOUTH OF WHEN MEASURED AT RIGHT ANGLES TO THE SOUTH MARGIN OF SOUTH OTHELLO STREET;

TOGETHER WITH THE SOUTH 1/2 OF VACATED OTHELLO STREET ADJOINING;

ALSO THAT PORTION OF SLIP NO. 4 OF DUMAMISH WATERWAY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT D;

THENCE SOUTH 49°00'12" EAST, 136.51 FEET TO THE MEDIAN LINE OF SAID SLIP 4 AS ESTABLISHED UNDER RECORDING NO. 4477307;

THENCE SOUTH 12°43'13" WEST ALONG SAID MEDIAN LINE 36.37 FEET TO THE ABOVE MENTIONED PARALLEL LINE;

THENCE NORTH 89°58'57" WEST ALONG SAID LINE 122.81 FEET TO THE EASTERLY BOUNDARY OF SAID LOT D;

THENCE NORTHEAST ALONG SAID BOUNDARY TO THE POINT OF BEGINNING;

ALSO THAT PORTION OF SLIP NO. 4 OF DUMAMISH WATERWAY DESCRIBED AS FOLLOWS:

ALL OF THAT AREA IN AND AROUND THE NORTHERLY END OF SAID SLIP NO. 4 WHICH SAID AREA IS LOCATED IN SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF TRACT D OF DUMAMISH INDUSTRIAL ADDITION;

THENCE ON A LINE PARALLEL TO THE CENTERLINE OF EAST MARGINAL WAY, SOUTH 49°00'12" EAST 96.62 FEET;

THENCE NORTH 12°43'13" EAST 110.77 FEET TO A POINT OF DESIGNATED A ON THE

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SOUTHWESTERLY MARGIN OF THE SAID EAST MARGINAL WAY, WHICH SAID POINT IS NORTH 49°00'12" WEST 153.45 FEET FROM THE INTERSECTION OF THE SAID SOUTHWESTERLY MARGIN WITH THE SOUTHEASTERLY MARGIN OF SLIP NO. 4 OF THE DUNAMISH WATERWAY AS ESTABLISHED BY THE COMMERCIAL WATERWAY DISTRICT NO. 1 OF KING COUNTY, WASHINGTON;

THENCE FROM SAID POINT 'A' FOLLOWING THE SAID SOUTHWESTERLY MARGIN OF EAST MARGINAL WAY, NORTH 49°00'12" WEST 97.03 FEET TO AN INTERSECTION WITH THE EASTERLY LINE OF THE DUNAMISH INDUSTRIAL ADDITION;

THENCE ON SAID EASTERLY LINE SOUTH 12°32'05" WEST 110.96 FEET TO THE NORTHEAST CORNER OF TRACT 'D' OF SAID ADDITION AND THE PLACE OF BEGINNING AS ESTABLISHED BY DECREE DATED APRIL 6, 1956 IN KING COUNTY SUPERIOR COURT CAUSE NO. 472022, AND BOUNDARY AGREEMENTS RECORDED UNDER RECORDING NOS. 4477207 AND 5897454;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

Filed for record at request of:
First Interstate Bank of Wash., N.A.
P.O. Box 21506
Seattle, Washington 98111-3506

After recording please mail to:
John H. Strasburger
Short, Cressman & Burgess
3000 First Interstate Center
999 Third Avenue
Seattle, WA 98104

This space reserved for recorder's use

FILED FOR RECORD AT REQUEST OF
T
TRICA TITLE
100 108th Ave. CO.
P.O. BOX 1
Bellevue, WA 98009

SPECIAL WARRANTY DEED
(CORPORATE FORM)

THE GRANTOR, EVERGREEN MARINE LEASING, INC., a Washington corporation, whose address is P. O. Box 160, Seattle, Washington 98111, for and in consideration of TEN DOLLARS (\$10) and other valuable considerations, in hand paid, grants, bargains, sells, conveys, and confirms to NORTHLAND SERVICES, INC., a Washington corporation, whose address is 601 S. Myrtle Street, Seattle, WA 98124, the following described real estate, situated in the County of King, State of Washington, to wit:

PARCEL A:

THAT PORTION OF L. M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOW:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF EAST MARGINAL WAY SOUTH AND CORSON AVENUE SOUTH;
THENCE NORTH 49 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE CENTERLINE OF EAST MARGINAL WAY SOUTH 300.08 FEET;
THENCE NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST 812.81 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;
THENCE CONTINUING NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST 839.41 FEET TO THE EASTERLY LINE OF COMMERCIAL WATERWAY NO. 1;
THENCE NORTH 43 DEGREES 32 MINUTES WEST ALONG SAID EASTERLY LINE 262.22 FEET;
THENCE SOUTH 89 DEGREES 58 MINUTES 06 SECONDS EAST 839.41 FEET;
THENCE SOUTH 43 DEGREES 32 MINUTES EAST 262.22 FEET TO THE TRUE POINT OF BEGINNING;

(ALSO BEING KNOWN AS TRACTS 6 AND 7, AND THAT PORTION OF PUBLIC WHARF ADJOINING ON THE WEST OF SAID TRACTS IN KING COUNTY INDUSTRIAL TRACTS, ACCORDING TO THE UNRECORDED PLAT THEREOF);

AND THE NORTH 1/2 OF THE FOLLOWING DESCRIBED PROPERTY;

THAT PORTION OF L. M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF EAST MARGINAL WAY SOUTH WITH THE CENTERLINE OF CORSON AVENUE SOUTH;
THENCE NORTH 49 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE CENTERLINE OF EAST MARGINAL WAY SOUTH, A DISTANCE OF 300.08 FEET;
THENCE NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST TO THE SOUTHWESTERLY LINE OF FOX AVENUE SOUTH, AS ESTABLISHED BY ORDINANCE NO. 78819 AND ORDINANCE NO. 90327 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST TO THE NORTHEASTERLY MARGIN OF THE DUWAMISH WATERWAY;
THENCE SOUTH 43 DEGREES 32 MINUTES 00 SECONDS EAST ALONG SAID MARGIN A DISTANCE OF 110.41 FEET;
THENCE SOUTH 89 DEGREES 58 MINUTES 06 SECONDS EAST TO SAID SOUTHWESTERLY LINE OF FOX AVENUE SOUTH;
THENCE NORTH 43 DEGREES 32 MINUTES 00 SECONDS WEST ALONG SAID SOUTHWESTERLY LINE TO THE TRUE POINT OF BEGINNING;

SAID NORTH 1/2 BEING A STRIP OF LAND 40 FEET IN WIDTH AND PREVIOUSLY DESCRIBED AS THE NORTH 1/2 OF WILLOW STREET ADJOINING ON THE SOUTH AND LYING WESTERLY OF THE SOUTHWESTERLY LINE OF FOX AVENUE SOUTH;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

PARCEL B:

THAT PORTION OF L. M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF CORSON AVENUE SOUTH AND EAST MARGINAL WAY SOUTH IN THE CITY OF SEATTLE;
THENCE NORTH 49 DEGREES 00 MINUTES WEST ALONG THE CENTERLINE OF SAID EAST MARGINAL WAY 658.39 FEET;
THENCE NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST ALONG THE NORTH LINE OF WILLOW STREET SOUTH (NOW KNOWN AS SOUTH BRIGHTON STREET) (45 FEET WIDE) IN THE RECORDED PLAT OF KING COUNTY INDUSTRIAL TRACTS, 765.70 FEET TO THE TRUE POINT OF BEGINNING OF THE DESCRIPTION OF THE LAND HEREIN CONVEYED;
THENCE CONTINUING NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST 839.41 FEET TO THE EAST LINE OF COMMERCIAL WATERWAY NO. 1;
THENCE SOUTH 43 DEGREES 32 MINUTES EAST ALONG SAID EAST LINE 62.11 FEET;
THENCE SOUTH 89 DEGREES 58 MINUTES 06 SECONDS EAST ALONG THE SOUTH LINE OF SAID WILLOW STREET SOUTH (NOW KNOWN AS SOUTH BRIGHTON STREET) 839.41 FEET;
THENCE NORTH 43 DEGREES 32 MINUTES WEST ALONG THE WEST LINE OF FOX AVENUE (40 FEET WIDE) IN SAID UNRECORDED PLAT, 62.11 FEET TO THE TRUE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

PARCEL C:

THAT PORTION OF THE WEST 1/2 OF THE L. M. COLLINS DONATION CLAIM NO. 46, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., AND THE ABANDONED BED OF THE DUWAMISH RIVER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF CORSON AVENUE SOUTH WITH THE CENTERLINE OF EAST MARGINAL WAY SOUTH;
THENCE NORTH 49 DEGREES 00 MINUTES WEST ALONG SAID CENTERLINE OF EAST MARGINAL WAY SOUTH 658.39 FEET;
THENCE NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST 765.70 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 43 DEGREES 32 MINUTES WEST 500 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF A TRACT CONVEYED TO ARTHUR BRINSMEAD BY DEED RECORDED UNDER RECORDING NO. 5204292;
THENCE NORTH 85 DEGREES 15 MINUTES EAST ALONG SAID SOUTHERLY LINE TO AN ANGLE POINT THEREIN;
THENCE SOUTH 80 DEGREES 50 MINUTES EAST 42.15 FEET TO THE SOUTHEASTERLY CORNER OF SAID BRINSMEAD TRACT;
THENCE NORTH 82.33 FEET TO THE NORTHEAST CORNER THEREOF;
THENCE ALONG THE NORTH LINE THEREOF SOUTH 86 DEGREES 42 MINUTES 38 SECONDS WEST 447.50 FEET AND SOUTH 65 DEGREES 05 MINUTES 13 SECONDS WEST 387.77 FEET TO THE EASTERLY BOUNDARY OF DUWAMISH WATERWAY;
THENCE SOUTH 43 DEGREES 32 MINUTES 00 SECONDS EAST ALONG SAID EASTERLY BOUNDARY TO A POINT WHICH BEARS NORTH 89 DEGREES 58 MINUTES 06 SECONDS WEST FROM THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 58 MINUTES 06 SECONDS EAST 835 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

9206190859

Parcel 16

SUBJECT TO: Covenants, conditions, restrictions and easements of record or existing by prescriptions, set forth on Exhibit A attached hereto.

The Grantor for itself and for its successors and assigns does by these presents expressly limit the covenants of this deed to those herein expressed, and excludes all covenants arising or to arise by statutory or other implication, and does hereby covenant that against all persons whomsoever lawfully claiming or to claim by, through or under said Grantor and not otherwise, it will forever warrant and defend the said described real estate.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers this 17th day of June, 1992.

EVERGREEN MARINE LEASING, INC.,
a Washington corporation

By: Kenneth Lauerman
Its: President

By: Gerald Crouch
Its: Vice President

9206190859

STATE OF WASHINGTON)
COUNTY OF KING) SS.

On this 17th day of June, 1992, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared KENNETH LAUERMAN and GERALD CROUCH to me known to be the President and Vice President respectively, of EVERGREEN MARINE LEASING, INC., a Washington corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day and year in this certificate above written.



Katherine A. Dickerson
Notary Public in and for the State of
Washington, Residing at Seattle
My commission expires: 12/9/95

DEEDSPWA.DOC
nordeed.doc(5/29/92)kan

EXHIBIT A
TO
SPECIAL WARRANTY DEED

1. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: National Steel Construction Co.
PURPOSE: Use and maintenance of railroad spur tract and reservation
of grantor's right to cross over said spur track
AREA AFFECTED: The description contained therein is not sufficient to
determine its exact location within Parcel A
DATED: June, 1951
RECORDED: July 11, 1951
RECORDING NO.: 4158341

2. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: City of Seattle
PURPOSE: City watermains and fire hydrants
AREA AFFECTED: The North 35 feet of the South 40 feet of Parcel A
DATED: June 15, 1962
RECORDED: August 21, 1962
RECORDING NO.: 5469367

3. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: The City of Seattle
PURPOSE: Storm drain and sanitary sewer
AREA AFFECTED: That portion of Parcel B as therein described
DATED: March 25, 1975
RECORDED: May 1, 1975
RECORDING NO.: 7505010391

4. Any change in the boundary or legal description of the real property, or title to the estate insured, that may arise due to the shifting and changing in the course of Duwamish River.
5. Right of the State of Washington in and to that portion, if any, of the subject property which lies below the line of ordinary high water of the Duwamish River.
6. Rights and easements of the public for commerce, navigation, recreation and fisheries.
7. Possible interest of parties in possession not disclosed of record as evidenced by rail road spur track as disclosed by King County Assessor Maps. (Covers Parcels B and C)

9206190859

ACCEPTABLE EXCEPTIONS TO TITLE

1. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: National Steel Construction Co.
PURPOSE: Use and maintenance of railroad spur tract and reservation
of grantor's right to cross over said spur track
AREA AFFECTED: The description contained therein is not sufficient to
determine its exact location within Parcel A
DATED: June, 1951
RECORDED: July 11, 1951
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2. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: City of Seattle
PURPOSE: City watermains and fire hydrants
AREA AFFECTED: The North 35 feet of the South 40 feet of Parcel A
DATED: June 15, 1962
RECORDED: August 21, 1962
RECORDING NO.: 5469367

3. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: The City of Seattle
PURPOSE: Storm drain and sanitary sewer
AREA AFFECTED: That portion of Parcel B as therein described
DATED: March 25, 1975
RECORDED: May 1, 1975
RECORDING NO.: 7505010391

- 9206190859
4. Any change in the boundary or legal description of the real property, or title to the estate insured, that may arise due to the shifting and changing in the course of Duwamish River.
 5. Right of the State of Washington in and to that portion, if any, of the subject property which lies below the line of ordinary high water of the Duwamish River.
 6. Rights and easements of the public for commerce, navigation, recreation and fisheries.
 7. Possible interest of parties in possession not disclosed of record as evidenced by railroad spur track as disclosed by King County Assessor Maps. (Covers Parcels B and C)
- 114



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KING COUNTY, WA

FIRST AMERICAN DT

51.00

Return Address.
DAVIS WRIGHT TREMAINE LLP
2600 Century Square
1501 Fourth Avenue
Seattle, Washington
Attn: Ward E. Buringrud

Please print or type information WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.01)

Document Title(s) (or transactions contained therein: (all areas applicable to your document must be filled in)

1. Amended and Restated Deed of Trust
2. Security Agreement
3. Fixture Filing
4. Assignment of Leases and Rents

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page _____ of document

Grantor(s) (Last name first, then first name and initials)

1. Northland Services, Inc., a Washington corporation
- 2.
- 3.
- 4.

☐ Additional names on page _____ of document.**Grantee(s)** (Last name first, then first name and initials)

1. Bank of America, N.A., a national banking association, as collateral agent
- 2.
- 3.
- 4.

☐ Additional names on page _____ of document.**Legal description** (abbreviated: i.e. lot, block, plat or section, township, range)

Section 29, Township 24, Range 4E, NW Quarter

☐ Additional legal is on page _____ of document.**Assessor's Property Tax Parcel/Account Number**

000180-0128-09

000180-0104-07

292404-9083-06

☒ Assessor Tax # not yet assigned

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein

**AMENDED AND RESTATED DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING
WITH ASSIGNMENT OF LEASES AND RENTS
(King County, Washington)**

THIS AMENDED AND RESTATED DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF LEASES AND RENTS ("this Deed of Trust") is made as of November 1, 1999 by **NORTHLAND SERVICES, INC.**, a Washington corporation, (the "Grantor"), whose address is 110 Prefontaine Place South, Suite 600, Seattle, WA 98104; to **RAINIER CREDIT COMPANY**, a Washington corporation (the "Trustee"), whose address is P.O. Box 3828, FAB-19, Seattle, WA 98124-3828, for the benefit of **BANK OF AMERICA, N.A.**, a national banking association, as collateral agent (in such capacity, together with any successors or assigns in such capacity, the "Beneficiary") for the benefit of the Creditors (as defined below), whose address is 701 Fifth Avenue, Floor 16, WA1-102-16-20, Seattle, WA 98104-7001.

RECITALS

A. Northland Holdings, Inc., a Delaware corporation, formerly known as Northland Holdings II, Inc. (the "Borrower"), Bank of America, N.A., a national banking association ("Bank of America"), KeyBank National Association, a national banking association, National Bank of Alaska, a national banking association, Washington Mutual Bank, a Washington corporation, doing business as Western Bank (collectively, the "Bank Lenders") and Bank of America, as administrative agent for the Bank Lenders (the "Bank Agent") and, together with Bank Lenders, the "Bank Creditors") are parties to that certain Credit Agreement dated as of November 1, 1999 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") pursuant to which Bank Creditors have agreed to make term and revolving loans (collectively, the "Loans") to Borrower and to issue letters of credit for the account of Borrower in a maximum principal amount not to exceed Sixty-three Million Five Hundred Thousand Dollars (\$63,500,000).

B. The Loans are evidenced by separate promissory notes of Borrower (as the same may be amended, restated, supplemented or otherwise modified from time to time, collectively, the "Promissory Notes") dated November 1, 1999. THE PROMISSORY NOTES MAY CONTAIN PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE.

C. In connection with the Credit Agreement, Borrower and Bank of America entered into that certain ISDA Master Agreement dated as of November 1, 1999 (such master agreement together with all schedules thereto, confirmations of transactions thereunder, and documents relating thereto, as any thereof may be amended, restated, supplemented or



otherwise modified from time to time, the "Interest Rate Swap Agreement") whereunder Borrower and Bank of America entered into interest rate swap transactions (collectively, the "Swap Transactions") covering approximately forty-six percent (46%) of the Loans which Swap Transactions represent the contingent liability of Borrower to Bank of America in the approximate amount of One Million Dollars (\$1,000,000).

D. Pursuant to the terms of the Credit Agreement, Grantor, Yutana Barge Lines, Inc., an Alaska corporation ("Yutana"), Yukon Fuel, Inc., an Alaska corporation ("Yukon"), Northland Terminal Services, Inc., a Washington corporation ("Northland Terminal"), Northland Marine Services, Inc., a Washington corporation ("Northland Marine"), South Naknek-NSI Ventures, Inc., a Washington corporation ("Naknek") and Service Oil & Gas, Inc., an Alaska corporation ("Service Oil & Gas") and, collectively with Grantor, Yutana, Yukon, Northland Terminal, Northland Marine and Naknek, the "Guarantors") executed and delivered to Bank Agent that certain Guaranty Agreement dated as of November 1, 1999 (the "Bank Guaranty Agreement") whereunder Guarantors guaranteed the indebtedness, liabilities and obligations of Borrower owing to Bank Creditors (or any of them) arising under or in connection with the Credit Agreement, the Promissory Notes and related loan documents and the obligations of Borrower to Bank of America under the Interest Rate Swap Agreement.

E. Borrower, Bank of America and MIG Partners IV ("MIG," and, together with Bank of America, the "Note Purchasers") are parties to that certain Second Amended and Restated Senior Subordinated Note and Warrant Purchase Agreement dated as of November 1, 1999 (as the same has been and may hereafter be amended, restated, supplemented or otherwise modified from time to time, the "Note Purchase Agreement") which agreement amended and restated that certain Amended and Restated Senior Subordinated Note and Warrant Purchase Agreement dated as of April 16, 1998 (as the same had been amended or otherwise modified prior to the date hereof, the "Amended Purchase Agreement") which agreement amended and restated that certain Senior Subordinated Note and Warrant Purchase Agreement dated as of May 13, 1997 (as the same had been amended or otherwise modified prior to April 16, 1998, the "Original Purchase Agreement") pursuant to which Note Purchasers agreed to and did purchase 15.0% Senior Subordinated Notes issued by Borrower (as the same may be amended, restated, supplemented or otherwise modified from time to time, collectively, the "Senior Subordinated Notes") in the principal amount of Six Million Dollars (\$6,000,000). THE SENIOR SUBORDINATED NOTES MAY CONTAIN PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE.

F. Pursuant to the terms of the Note Purchase Agreement, Guarantors executed and delivered to Note Purchasers that certain Second Amended and Restated Guaranty Agreement dated as of November 1, 1999 (the "Note Purchaser Guaranty Agreement") which agreement amended and restated that certain Amended and Restated Guaranty Agreement dated as of April 16, 1998 (the "Amended Guaranty Agreement") made by Guarantors, AK-Pacific, Inc., a Washington corporation ("AK-Pacific") and Hayden Investment Corporation, an Alaska corporation ("Hayden Investment") whereunder each Guarantor guaranteed the indebtedness, liabilities and obligations of Borrower owing to Note Purchasers



(or any of them) arising under or in connection with the Note Purchase Agreement and the Senior Subordinated Notes.

G. In connection with the Amended Purchase Agreement and that certain Amended and Restated Revolving Credit and Term Loan Agreement dated November 6, 1998 among Borrower, the several financial institutions a party thereto and BankBoston, N.A., a national banking association ("BkB"), as administrative agent for itself and the other financial institutions a party thereto (collectively, the "BkB Creditors") (the "BkB Credit Agreement"), Borrower, Guarantors, AK-Pacific, Note Purchasers and BkB, as administrative agent under the BkB Credit Agreement and as collateral agent for Note Purchasers and the financial institutions a party to the BkB Credit Agreement, entered into that certain Intercreditor and Collateral Agency Agreement dated as of April 16, 1998 (the "BkB Collateral Agreement") pursuant to which the BkB Creditors and Note Purchasers appointed BkB as their collateral agent to receive and hold for their respective accounts certain security interests in real and personal property granted by Borrower, Guarantors (other than Northland Terminal and Service Oil & Gas), AK-Pacific and Hayden Investment.

H. In connection with the BkB Credit Agreement, each Guarantor, AK-Pacific and Hayden Investment executed and delivered to BkB that certain Guaranty Agreement dated as of April 16, 1998 (the "BkB Guaranty") whereunder each such Guarantor, AK-Pacific and Hayden Investment guaranteed the indebtedness, liabilities and obligations of Borrower owing to BkB Creditors arising under the BkB Credit Agreement.

I. In connection with the BkB Collateral Agreement, Grantor executed and delivered to BkB that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of April 16, 1998, which deed of trust was recorded on April 16, 1998 under Recording Number 9804161129, records of King County, Washington (the "BkB Deed of Trust"), pursuant to which Grantor granted to First America Title Company, as trustee, for the benefit of BkB, as collateral agent under the BkB Collateral, all of Grantor's estate, right, title, interest in the property legally described in Schedule A attached hereto, to secure the indebtedness, liabilities and obligations of Grantor owing to BkB Creditors arising under the BkB Guaranty and to Note Purchasers arising under the Note Purchase Agreement and the Amended Guaranty Agreement.

J. Bank Creditors, Note Purchasers (each individually a "Creditor" and collectively, the "Creditors"), Borrower, Grantor and the other Guarantors have entered into an Intercreditor and Collateral Agency Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement") pursuant to which Creditors have appointed Beneficiary as their collateral agent to receive and hold for their respective accounts a security interest in certain real and personal property of Borrower, Grantor and the other Guarantors.

K. BkB assigned all its right, title and interest as beneficiary under the BkB Deed of Trust to Beneficiary by instrument dated 10/29/, 1999 and recorded on November



1, 1999 under Recording No. 19991101001041, records of King County, Washington. Beneficiary or its agent is authorized to insert the dates and recording number of such instrument in the spaces provided in the preceding sentence.

L. Pursuant to the terms of the Credit Agreement, the execution and delivery of this amendment and restatement of the BkB Deed of Trust is a material condition precedent to the agreement of Bank Lenders to make term and revolving loans to Borrower under the Credit Agreement, and the agreement of Bank Agent to issue letters of credit for the account of Borrower thereunder.

M. It is intended that this Deed of Trust shall continue the security interests granted BkB as collateral agent under the BkB Deed of Trust, and shall amend and restate the BkB Deed of Trust in its entirety.

N. Grantor is a wholly owned subsidiary of Borrower and the proceeds of the loans made by Bank Lenders and the letters of credit issued by Bank Agent pursuant to the Credit Agreement and the mutual agreements of the parties to the Intercreditor Agreement will result in a direct or indirect material economic benefit to Grantor.

NOW, THEREFORE, the parties hereto hereby agree to amend and restate the BkB Deed of Trust in its entirety as follows:

ARTICLE 1

1. **Granting Clause.** Grantor irrevocably grants, bargains, sells and conveys to Trustee and its successors and assigns in trust, with power of sale and with right of entry and possession as provided herein, all Grantor's estate, right, title, interest, claim and demand, now owned or hereafter acquired, including leaseholds, in and to the following (collectively, the "Property"):

(a) the real property in King County, State of Washington, described in Schedule A attached and any and all improvements now or hereafter located thereon (the "Real Property");

(b) all land lying in streets and roads adjoining the Real Property, and all access rights and easements pertaining to the Real Property;

(c) all the lands, tenements, privileges, reversions, remainders, irrigation and water rights and stock, oil and gas rights, royalties, minerals and mineral rights, all development rights and credits, air rights, hereditaments and appurtenances belonging or in any way pertaining to the Real Property;

(d) all buildings, structures, improvements, fixtures, equipment and machinery and property now or hereafter attached to or used in connection with the use, occupancy or operation of the Real Property including, but not limited to, heating and



incinerating apparatus and equipment, boilers, engines, motors, generating equipment, telephone and other communication systems, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen equipment, refrigerators, cooling, ventilating, sprinkling and vacuum cleaning systems, fire extinguishing apparatus, gas and electric fixtures, irrigation equipment, carpeting, underpadding, elevators, escalators, partitions, mantles, built-in mirrors, window shades, blinds, screens, storm sash, awnings, furnishings of public spaces, halls and lobbies, and shrubbery and plants. All property mentioned in this subsection (d) shall be deemed part of the realty and not severable wholly or in part without material injury to the Real Property;

(e) all rents, issues and profits of the Real Property, all existing and future leases of the Real Property (including extensions, renewals and subleases), all agreements for use and occupancy of the Real Property (all such leases and agreements whether written or oral, are hereafter referred to as the "Leases"), and all guaranties of lessees' performance under the Leases, together with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits and other income of any nature now or hereafter due (including any income of any nature coming due during any redemption period) under the Leases or from or arising out of the Real Property including minimum rents, additional rents, percentage rents, parking or common area maintenance contributions, tax and insurance contributions, deficiency rents, liquidated damages following default in any Lease, all proceeds payable under any policy of insurance covering loss of rents resulting from untenantability caused by destruction or damage to the Real Property, all proceeds payable as a result of exercise of an option to purchase the Real Property, all proceeds derived from the termination or rejection of any Lease in a bankruptcy or other insolvency proceeding, all security deposits or other deposits for the performance of any lessee's obligations under the Leases, and all proceeds from any rights and claims of any kind which Grantor may have against any lessee under the Leases or any occupants of the Real Property (all of the above are hereafter collectively referred to as the "Rents"). This subsection (e) is subject to the right, power and authority given to the Beneficiary in the Security Documents (as defined below) to collect and apply the Rents; and

(f) all of Grantor's rights to further encumber said Real Property for debt and all Grantor's rights to enter into any lease agreement which would create a tenancy that is or may become subordinate in any respect to any mortgage or deed of trust other than this Deed of Trust.

2. Collateral. The following described estate, property and rights of Grantor are also included as security for the performance of each covenant and agreement of Grantor contained herein and the payment of all sums of money secured hereby:

(a) all furniture, furnishings, appliances, machinery, vehicles, equipment and all other property of any kind now or hereafter located on the Property, used or intended to be used on the Property wherever actually located, and all rights of Grantor as lessee of any property described in this Section 2 and subsection 1(d) above;



(b) all compensation, awards, damages, rights of action and proceeds (including insurance proceeds and any interest on any of the foregoing) arising out of or relating to a taking or damaging of the Property by reason of any public or private improvement, condemnation proceeding (including change of grade), fire, earthquake or other casualty, injury or decrease in the value of the Property;

(c) all returned premiums or other payments on any insurance policies pertaining to the Property and any refunds or rebates of taxes or assessments on the Property;

(d) all rights to the payment of money, accounts receivable, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all utility deposits), architectural and engineering plans, specifications and drawings, contract rights, governmental permits and licenses, and agreements and purchase orders which pertain to or are incidental to the design or construction of any improvements on the Property, Grantor's rights under any payment, performance, or other bond in connection with construction of improvements on the Property, and all construction materials, supplies, and equipment delivered to the Property or intended to be used in connection with the construction of improvements on the Property wherever actually located;

(e) all contracts and agreements pertaining to or affecting the Property, including, but not limited to, leases creating Grantor's leasehold interest in the Real Property, if any, management, operating and franchise agreements, licenses, trade names and trademarks.

(f) All books and records pertaining to any and all of the Property and the other collateral described above, including computer readable memory and any computer hardware or software necessary to access and process such memory; and

(g) all additions, accessions, replacements, substitutions, proceeds and products of the Property described in this Section 2 and of any of the Property which is personal property.

The Property and all of the property and rights described in Sections 1 and 2 above are referred to collectively in this Deed of Trust as the "Collateral".

3. Security Agreement. If any of the Collateral is determined to be personal property, Grantor as Debtor hereby grants to Beneficiary as secured party a security interest in all such personal property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement between Grantor and Beneficiary pursuant to the Uniform Commercial Code as adopted in the State of Washington, as now or hereafter amended, with respect to the Collateral, and any and all property affecting or related to the use and enjoyment of the Real Property, now or hereafter described in any Uniform Commercial Code financing statement naming Grantor as debtor and Beneficiary as secured



party. The remedies of Beneficiary for any violation of the covenants, terms and conditions of this Deed of Trust or any other Security Document (as defined below) shall include all remedies available to secured parties under the Uniform Commercial Code. Grantor agrees the filing of a financing statement in the records normally having to do with personal property shall not be construed as in anywise derogating from or impairing the intention of Grantor and Beneficiary that everything used in connection with the production of income from the Property that is the subject of this Deed of Trust and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in any list filed with the Beneficiary, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time.

4. Financing Statement. This Deed of Trust shall also constitute a financing statement filed for record in the real estate records as a fixture filing pursuant to the Uniform Commercial Code. This Deed of Trust may be given to secure an obligation incurred for the construction of improvements on the Property, including the acquisition of the Property, or to secure an obligation incurred to refinance an obligation incurred for the construction of improvements on the Property, including the acquisition of the Property.

5. Obligations Secured. This Deed of Trust secures the full and timely payment and performance of the following indebtedness, liabilities and obligations (collectively, the "Secured Obligations"):

(a) all indebtedness, liabilities and obligations of Grantor to Bank Creditors (or any of them) now or hereafter existing, whether joint or several, direct or indirect, absolute or contingent or due or to become due, howsoever evidenced, created, incurred or owing and whether or not evidenced by promissory notes or other evidences of indebtedness, and all modifications, renewals, extensions and rearrangements thereof and substitutions and replacements therefor, arising under or in connection with the Bank Guaranty Agreement and the other agreements, documents, instruments and undertakings entered into by Grantor in connection with the Bank Guaranty Agreement;

(b) all indebtedness, liabilities and obligations of Grantor to Note Purchasers (or any of them) now or hereafter existing, whether joint or several, direct or indirect, absolute or contingent or due or to become due, howsoever evidenced, created, incurred or owing and whether or not evidenced by promissory notes or other evidences of indebtedness, and all modifications, renewals, extensions and rearrangements thereof and substitutions and replacements therefor, arising under or in connection with the Note Purchaser Guaranty Agreement and any other agreement, document, instrument and undertaking entered into by Grantor in connection with the Note Purchaser Guaranty Agreement, except to the extent that such indebtedness, liabilities or obligations relate to the



indebtedness, liabilities and obligations of Borrower to Note Purchasers (or any of them) arising under the Warrants and the Put Notes (as defined in the Note Purchase Agreement);

(c) all indebtedness, liabilities and obligations of Grantor to Beneficiary now or hereafter existing, whether joint or several, direct or indirect, absolute or contingent or due or to become due, howsoever evidenced, created, incurred or owing and whether or not evidenced by promissory notes or other evidences of indebtedness, and all modifications, renewals, extensions and rearrangements thereof and substitutions and replacements therefor, arising under or in connection with the Intercreditor Agreement and the Security Documents (as defined herein); and

(d) all accrued interest on any of the foregoing indebtedness, liabilities and obligations, whether accruing prior to or subsequent to the commencement of a bankruptcy or similar proceeding.

As used herein, the term "Loan Agreements" shall mean, together, the Credit Agreement and the Note Purchase Agreement, and "Loan Agreement" shall mean either such agreement. As used herein, the term "Guaranty Agreements" shall mean, together, the Bank Guaranty Agreement and the Note Purchaser Guaranty Agreement, and "Guaranty Agreement" shall mean either such guaranty. As used herein, the term "Security Documents" shall mean any deed of trust (including this Deed of Trust), mortgage, pledge, assignment, security agreement or other security document executed by Borrower, any Guarantor or any of their respective direct or indirect subsidiaries in favor of Beneficiary to secure any obligation arising under either Loan Agreement, either Guaranty Agreement or under any related agreement, document, certificate or instrument executed in connection therewith, as any thereof may be amended, restated, supplemented or otherwise modified from time to time, excluding, however, any Certificate and Indemnity Agreement Regarding Building Laws and Hazardous Substances now or hereafter executed by Grantor (or any other person or entity) in connection with either Loan Agreement or either Guaranty Agreement. As used herein, the term "Documents" means, collectively, the Loan Agreements, the Guaranty Agreements and the Security Documents. As used herein, "Material Adverse Effect" means a material adverse effect upon the operation of the Property or the business (financial or otherwise) of Grantor, a material impairment of the ability of Grantor to perform its obligations under either Guaranty Agreement, or a material adverse effect upon (i) the legality, validity, binding effect or enforceability against Grantor of this Deed of Trust or (ii) the perfection or priority of the lien of this Deed of Trust.

Notwithstanding any of the foregoing, the Secured Obligations shall not include (i) the obligations of Grantor under any Certificate and Indemnity Agreement Regarding Building Laws and Hazardous Substances now or hereafter executed by Grantor (or any other person or entity) in connection with the either Loan Agreement or either Guaranty Agreement, or (ii) any obligations under this Deed of Trust or any Document that are substantially equivalent to the obligations arising under any such Certificate and Indemnity Agreement.



ARTICLE 2

1. **Assignment of Rents and Leases.** Grantor hereby absolutely and irrevocably assigns to Beneficiary all Grantor's interest in the Rents and Leases. The foregoing assignment is subject to the terms and conditions of any separate assignment of the Leases and/or Rents, whenever executed, in favor of Beneficiary and covering the Property. Grantor warrants it has made no prior assignment of the Rents or the Leases and will make no subsequent assignment (other than to Beneficiary) without the prior written consent of Beneficiary. At Beneficiary's request, Grantor shall execute and deliver to Beneficiary a separate assignment of rents containing such terms and conditions as Beneficiary may reasonably require.

(a) Unless otherwise provided in any separate assignment of the Leases and/or the Rents, so long as no Event of Default (as defined below) shall have occurred, Grantor may collect the Rents as the Rents become due. Grantor shall use the Rents to pay normal operating expenses for the Property and sums due and payments required under the Documents. No Rents shall be collected for a period subsequent to the current one month rental period and first or last month's rent. Grantor's right to collect the Rents shall not constitute Beneficiary's consent to the use of cash collateral in any bankruptcy proceeding.

(b) If an Event of Default shall occur, without notice to Grantor, Beneficiary or its agents, or a court appointed receiver (and Grantor hereby irrevocably consents to appointment of such a receiver), may collect the Rents. In doing so, Beneficiary may (i) evict lessees for nonpayment of rent, (ii) terminate in any lawful manner any tenancy or occupancy, (iii) lease the Property in the name of the then owner on such terms as it may deem best, (iv) institute proceedings against any lessee for past due rent, and (v) do all other acts and things as Beneficiary deems necessary or desirable. The Rents received shall be applied to payment of the costs and expenses of collecting the Rents, including a reasonable fee to Beneficiary, a receiver or an agent, operating expenses for the Property and any sums due or payments required under the Documents, in such order as Beneficiary may determine. Any excess shall be paid to Grantor, however, Beneficiary may withhold from any excess a reasonable amount to pay sums anticipated to become due which exceed the anticipated future Rents. Beneficiary's failure to collect or discontinuing collection at any time shall not in any manner affect the subsequent enforcement by Beneficiary of its rights to collect the Rents. The collection of the Rents by or for Beneficiary shall not cure or waive any Event of Default. Any Rents paid to Beneficiary or a receiver shall be credited against the amount due from the lessees under the Leases. In the event any lessee under a Lease becomes the subject of any proceeding under the Bankruptcy Code or any other federal, state or local statute which provides for the possible termination or rejection of any Lease assigned hereby, Grantor covenants and agrees that in the event any of the Leases are so rejected, no damages settlement shall be made without the prior written consent of Beneficiary; any check in payment of damages for rejection or termination of any such Lease will be made payable both to the Grantor and Beneficiary; and Grantor hereby assigns any such payment to Beneficiary and further covenants and agrees that upon request of Beneficiary, it will duly endorse to the



order of Beneficiary any such check, the proceeds of which will be applied to any portion of the indebtedness secured hereunder in such manner as Beneficiary may elect.

(c) Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Property or any part thereof, Beneficiary is not and shall not be deemed to be: (i) "a mortgagee in possession" for any purpose; (ii) responsible for performing any of the obligations of the lessor under any Lease; (iii) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or (iv) liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it. In exercising its rights under this Section 1 Beneficiary shall be liable only for the proper application of and accounting for the Rents collected by Beneficiary or its agents.

2. **Leases.** Grantor shall fully comply with all of the terms, conditions and provisions of the Leases so that the same shall not become in default and do all things necessary to preserve the Leases in force. Unless otherwise agreed in writing by Beneficiary, without Beneficiary's prior written consent, Grantor will not enter into any Lease (i) on a form of Lease not previously approved by Beneficiary, (ii) for a term of three (3) years or more, or (iii) containing an option or right to purchase all or any part of the Collateral in favor of any lessee. With respect to any Lease of the whole or any part of the Property involving an initial term of three (3) years or more, Grantor shall not, without the prior written consent of Beneficiary, (a) permit the assignment or subletting of all or part of the lessee's rights under the Lease unless the right to assign or sublet is expressly reserved by the lessee under the Lease, (b) modify or amend the Lease for a lesser rental or term, or (c) accept surrender of the Lease or terminate the Lease except in accordance with the terms of the Lease providing for termination in the event of a default. Any proceeds or damages resulting from a lessee's default under any Lease, at Beneficiary's option, shall be paid to Beneficiary and applied against sums owed under the Documents in accordance with the Intercreditor Agreement even though such sums may not be due and payable. Except for real estate taxes and assessments, without Beneficiary's prior written consent, Grantor shall not permit any lien to be created against the Property which may be or may become prior to any Lease. If the Property is partially condemned or suffers a casualty, Grantor shall promptly repair and restore the Property in order to comply with the Leases.

ARTICLE 3

1. **Non-Agricultural Use.** Grantor represents and warrants to Beneficiary that neither the Property nor any other Collateral is used principally for agricultural purposes.

2. **Performance of Obligations.** Grantor shall promptly and timely pay all sums due pursuant to either Guaranty Agreement and any other Document to which it is a party, strictly comply with all the terms and conditions of each Document to which it is a party, and perform each Secured Obligation in accordance with its terms.



3. Warranty of Title. Grantor warrants that it has good and marketable title to an indefeasible fee simple estate in the Property (unless Grantor's present interest in the Property is described in Schedule A as a leasehold interest, in which case Grantor warrants that it lawfully possesses and holds a valid leasehold interest in the Property as described in Schedule A), and good marketable title to the personal property Collateral, subject to no liens, encumbrances, easements, assessments, security interests, claims or defects of any kind prior or subordinate to the lien of this Deed of Trust, except those listed in Beneficiary's title insurance policy or approved by Beneficiary in writing (the "Exceptions") and real estate taxes and assessments for the current year. Grantor warrants the Exceptions and the real estate taxes and assessments are not delinquent or in default, and Grantor has the right to convey the Property to Trustee for the benefit of Beneficiary, and the right to grant a security interest in the personal property Collateral. Grantor will warrant and defend title to the Collateral and will defend the validity and priority of the lien of this Deed of Trust and the security interests granted herein against any claims or demands.

4. Prohibited Liens.

(a) Subject to Grantor's rights under subsection (b) below, Grantor shall not permit any governmental or statutory liens (including taxes, mechanic's or materialmen's liens) to be filed against the Collateral except for real estate taxes and assessments not yet due and liens permitted by the Loan Agreements or approved by Beneficiary in writing.

(b) Grantor will have the right to contest in good faith by appropriate legal or administrative proceeding the validity of any prohibited lien, encumbrance or charge so long as (i) no Event of Default has occurred and is continuing, (ii) Grantor first deposits with Beneficiary a bond or other security satisfactory to Beneficiary in the amount reasonably required by Beneficiary; (iii) Grantor immediately commences its contest of such lien, encumbrance or charge, and continuously pursues the contest in good faith and with due diligence; (iv) foreclosure of the lien, encumbrance or charge is stayed; and (v) Grantor pays any judgment rendered for the lien claimant or other third party within ten (10) days after the entry of the judgment. If the contested item is a mechanic's or materialmen's lien, Grantor will furnish Beneficiary with an endorsement to its title insurance policy which insures the priority of this Deed of Trust over the lien being contested. Grantor will discharge or elect to contest and post an appropriate bond or other security within twenty (20) days of written demand by Beneficiary.

5. Payment of Taxes and Other Encumbrances. Grantor shall pay the real estate taxes and any assessments or ground rents at least seven (7) days prior to delinquency unless otherwise provided for in the reserve account described in Section 15 below. All other encumbrances, charges and liens affecting the Collateral, including mortgages and deeds of trust, whether prior to or subordinate to the lien of this Deed of Trust, shall be paid when due and shall not be in default. On request Grantor shall furnish evidence of payment of these items.



6. **Maintenance; No Waste.** Grantor shall protect and preserve the Collateral and maintain it in good condition and repair. Grantor shall do all acts and take all precautions which, from the character and use of the Collateral, are reasonable, proper or necessary to so maintain, protect and preserve the Collateral. Grantor shall not commit or permit any waste of the Collateral. Grantor will not take or fail to take any action nor permit any action to be taken by others that are subject to Grantor's control which action or failure to take action could reasonably be expected to impair or defeat the lien of this Deed of Trust or materially impair the value of the Collateral.

7. **Alterations, Removal and Demolition.** Unless otherwise agreed in writing by Beneficiary or unless permitted by the Credit Agreement, Grantor shall not structurally alter, remove or demolish any building or improvement on the Property without Beneficiary's prior written consent. Except to the extent permitted by the Credit Agreement, Grantor shall not remove any fixture or other item of property which is part of the Collateral without Beneficiary's prior written consent unless the fixture or item of property is replaced by an article of equal suitability, owned by Grantor free and clear of any lien or security interest.

8. **Completion, Repair and Restoration.** Except to the extent permitted by the Credit Agreement, Grantor shall promptly complete or repair and restore in good workmanlike manner any building or improvement on the Property which may be constructed or damaged or destroyed and shall pay all costs incurred therefor. Prior to commencement of any construction Grantor shall submit the plans and specifications for Beneficiary's approval and furnish evidence of sufficient funds to complete the work.

9. **Compliance With Laws.** Grantor shall comply in all material respects with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Collateral, including, without limitation, all applicable requirements of the Fair Housing Act of 1968 (as amended from time to time) and the Americans With Disabilities Act of 1990 (as amended from time to time) except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect, and except as set forth above, shall not commit or permit any act upon or concerning the Collateral in violation of any such laws, ordinances, regulations, covenants, conditions, and restrictions. Grantor shall defend, indemnify and hold Beneficiary harmless from and against all liability threatened against or suffered by Beneficiary by reason of a breach by Grantor of the foregoing representations, warranties, covenants and agreements. The foregoing indemnity shall include the cost of all alterations to the Collateral (including architectural, engineering, legal and accounting costs), all fines, fees and penalties, and all legal and other expenses (including attorneys' fees) incurred in connection with the Property being in violation of any such laws, ordinances, regulations, covenants, conditions and restrictions. If Beneficiary or its designee shall become the owner of or acquire an interest in or rights to the Collateral by foreclosure or deed in lieu of foreclosure of this Deed of Trust or by other means, the foregoing indemnification obligation shall survive such foreclosure or deed in lieu of foreclosure or other acquisition of the Collateral. Notwithstanding the preceding sentence, Grantor shall have no obligation to defend, indemnify or hold Beneficiary harmless from any liability arising from or out of the



activities of Beneficiary or its agents with respect to the Collateral on or after the transfer of the Collateral to Beneficiary pursuant to foreclosure proceedings or in lieu thereof.

10. Impairment of Collateral. Grantor shall not, without Beneficiary's prior written consent, change the present use or the intended use of the Property, change the general nature of the occupancy of the Property, initiate, acquire or permit any change in any public or private restrictions (including without limitation a zoning reclassification) limiting the uses which may be made of the Collateral, or take or permit any action which would impair the Collateral or Beneficiary's lien or security interest in the Collateral.

11. Inspection of Collateral. Beneficiary and/or its representatives may enter on to and inspect the Collateral (including taking and removing soil, groundwater and other samples) at reasonable times after reasonable notice. If any of the Collateral is in the possession of a third party, Grantor authorizes the third party to permit Beneficiary and/or its representatives to have access to and perform inspections of the Collateral and to respond fully and freely to Beneficiary's and/or its representatives requests for information concerning the Collateral. Grantor agrees that Beneficiary neither has nor undertakes any duty or obligation to examine or inspect the Collateral or any records, books or papers relating thereto. In the event that Beneficiary inspects the Collateral or examines, audits or copies any records, books or papers relating thereto, the Beneficiary will be acting solely for the purposes of protecting the Beneficiary's security and Beneficiary's rights under this Deed of Trust and the other Security Documents. Neither the Grantor nor any other party is entitled to rely on any inspection or other inquiry by Beneficiary and/or its representatives. Neither Beneficiary nor its representatives owes a duty of care to protect the Grantor or any other party against, or to inform the Grantor or any other party of, any adverse condition that may be observed or discovered as affecting the Collateral or the Grantor's or such third party's business. If Beneficiary and/or its representatives believes it has a duty or obligation to disclose any report or findings made as a result of, or in connection with any inspection of the Collateral, then Beneficiary and/or its representative may make such disclosure. Any failure by Grantor or a third party to permit Beneficiary to exercise its rights herein, following five (5) days written demand from Beneficiary, shall entitle Beneficiary without further notice to Grantor to make ex parte application to the court of applicable jurisdiction where the Collateral Beneficiary seeks to inspect is located for immediate issuance of any order, without bond, granting specific performance of Beneficiary's rights to enter on and inspect the Collateral.

12. Grantor's Defense of Collateral. Grantor shall appear in and defend any action or proceeding which may affect the Collateral or the rights or powers of Beneficiary or Trustee under this Deed of Trust.

13. Beneficiary's Right to Protect Collateral. Beneficiary may commence, appear in, and defend any action or proceeding which may affect the Collateral or the rights or powers of Beneficiary or Trustee under this Deed of Trust. Beneficiary may pay, purchase, contest or compromise any encumbrance, charge or lien not listed as an Exception which in its judgment appears to be prior or superior to the lien of this Deed of Trust. If Grantor fails



to make any payment or do any act required under any Security Document (including this Deed of Trust), Beneficiary, without any obligation to do so and without releasing Grantor from any obligations under any Document to which it is a party, may make the payment or cause the act to be performed in such manner and to such extent as Beneficiary may deem necessary to protect the Collateral. Beneficiary is authorized to enter upon the Property for such purposes. In exercising any of these powers Beneficiary may incur such expenses, in its absolute discretion, it deems necessary.

14. Hazardous Substances.

(a) Grantor represents and warrants to Beneficiary, except as previously disclosed to Beneficiary in writing, as of the date hereof, Grantor has no knowledge of (a) the presence of any Hazardous Substances on the Property or (b) any spills, releases, discharges or disposal of Hazardous Substances that have occurred or are presently occurring on or onto the Property, other than the presence, use, storage and disposal of Hazardous Substances generally used in the ordinary course of operating, maintaining or developing properties such as the Property, all of which Grantor covenants have and will be used, stored and disposed of in accordance with commercially reasonable practices and all applicable Environmental Laws, except such non-compliance which (if enforced in accordance with applicable Environmental Laws and determined adversely to Grantor) could not reasonably be expected to give rise to any legal liability (in excess of insurance coverage) of more than Five Hundred Thousand Dollars (\$500,000). As used in herein, "Hazardous Substances" means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar terms, by any Environmental Law, including without limitation, asbestos, petroleum and hydrocarbon products. As used herein, "Environmental Laws" means all federal, state and local statutes, regulations, ordinances, and requirements, now or hereafter in effect, pertaining to environmental protection, contamination or cleanup, all as now or hereafter amended.

(b) Grantor represents and warrants to Beneficiary, except as previously disclosed to Beneficiary in writing, as of the date hereof, Grantor has no knowledge of any failure by any person or entity to comply with all currently applicable Environmental Laws with respect to the generation, recycling, reuse, sale, storage, handling, transport and disposal of Hazardous Substances on or from the Property. Grantor shall cause the Property to be continuously in compliance in all material respects with all material Environmental Laws and will comply with all orders, decrees or judgments of governmental authorities or courts having jurisdiction which Grantor is bound by, relating to the use, collection storage, treatment, control, removal or cleanup of Hazardous Substances in, on, under, over or about the Property.

(c) Promptly after learning thereof, Grantor shall notify Beneficiary of (i) any environmental problem with respect to the Property or any adjacent property that could reasonably be expected to give rise to any legal liability of more than Twenty-five Thousand Dollars (\$25,000), (ii) any lien, action or notice resulting from the violation of any



Environmental Laws, or (iii) the Property being in violation of any applicable Environmental Law in any material respect. At its own cost, Grantor will take all actions which are required under applicable Environmental Laws to clean up any Hazardous Substances affecting the Property, including removal, containment or other remedial action required by applicable law. Any notice sent to Beneficiary pursuant to this Section will describe in reasonable detail any such actual, potential or alleged violation of Environmental Laws, and shall contain Indemnitors' plan or recommendations for correcting the violations.

(d) Beneficiary may, but is not obligated to, enter upon the Property during normal business hours upon reasonable notice to inspect it for compliance with Environmental Laws and to take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest as Beneficiary; and whether or not Grantor has actual knowledge of the existence of Hazardous Substances in, on, under, over or about the Property or any adjacent property as of the date hereof. Grantor shall reimburse Beneficiary on demand for the full amount of all costs and expenses incurred by Beneficiary prior to Beneficiary acquiring title to the Property through foreclosure or deed in lieu of foreclosure, in connection with such compliance activities.

15. Reserve Account.

(a) Subject to subsection (d) below, if Beneficiary so requires, Grantor shall pay to Beneficiary quarterly, a sum, as estimated by Beneficiary, equal to the ground rents, if any, the real estate taxes and assessments next due on the Property and the premiums next due on insurance policies required under any Document, less all sums already paid therefor, divided by the number of quarters (or portion thereof) to elapse before two (2) months prior to the date when the ground rents, real estate taxes, assessments and insurance premiums will become delinquent. The quarterly reserve accounts payments shall be paid first business day of each calendar quarter and shall be applied by Beneficiary, at its option, first, to ground rents, real estate taxes, assessments and insurance premiums, second, to expenditures made pursuant to the Security Documents (including this Deed of Trust) and interest thereon and, thereafter, to the Secured Obligations in accordance with the Intercreditor Agreement. Grantor shall promptly deliver to Beneficiary all bills and notices pertaining to the ground rents, taxes, assessments and insurance premiums.

(b) The reserve account is solely for the protection of Beneficiary. Beneficiary shall have no responsibility except to credit properly the sums actually received by it. No interest will be paid on the funds in the reserve account and Beneficiary shall have no obligation to deposit the funds in an interest-bearing account. Upon assignment of this Deed of Trust by Beneficiary, any funds in the reserve account shall be turned over to the assignee and any responsibility of Beneficiary with respect thereto shall terminate. Each transfer of the Property shall automatically transfer to the grantee all rights of Grantor to any funds in the reserve account.



(c) If the total of the payments to the reserve exceeds the amount of payments actually made by Beneficiary, plus such amounts as have been reasonably accumulated in the reserve account toward payments to become due, such excess may, at Beneficiary's election, be (i) credited by Beneficiary against the Secured Obligations in accordance with the Intercreditor Agreement, or (ii) refunded to Grantor as its name appears on the records of Beneficiary. If, however, the reserve account does not have sufficient funds to make the payments when they become due, Grantor shall pay to Beneficiary the amount necessary to make up the deficiency within fifteen (15) days after written notice to Grantor. If this Deed of Trust is foreclosed or if Beneficiary otherwise acquires the Collateral, Beneficiary shall, at the time of commencement of the proceedings or at the time the Collateral is otherwise acquired, apply the remaining funds in the reserve account, less such sums as will become due during the pendency of the proceedings, against the Secured Obligations in accordance with the Intercreditor Agreement.

(d) Unless required by the terms of the Loan Agreements, Grantor shall not be required to pay quarterly reserve account payments so long as no Event of Default has occurred and is continuing and so long as Grantor remains in ownership of the Collateral, provided receipted bills evidencing the payment of all taxes and/or assessments and insurance premiums are exhibited to Beneficiary within fifteen (15) days after Beneficiary's request therefor. Upon any change in any of these conditions, Beneficiary may, at its option then or thereafter exercised, require the payment of reserves pursuant to this Section 15.

16. Repayment of Beneficiary's Expenditures. Without limiting any other provision hereof requiring Grantor to pay Beneficiary's costs and expenses, Grantor shall pay within ten (10) days after written notice from Beneficiary all sums expended by Beneficiary and all costs and expenses incurred by Beneficiary in taking any actions pursuant to any Security Document to which it is a party including reasonable attorneys' fees, accountants' fees, appraisal and inspection fees, and the costs for title reports. If any laws or regulations are passed subsequent to the date of this Deed of Trust which require Beneficiary to incur out-of-pocket expenses in order to maintain, modify, extend or foreclose this Deed of Trust, Grantor shall reimburse Beneficiary for such expenses within fifteen (15) days after written notice from Beneficiary. Expenditures by Beneficiary shall bear interest at a rate per annum equal from time to time to the Prime Rate plus 2% (the "Default Rate") from the date demand is made upon Grantor therefor until repaid. Any such amounts shall be secured hereby with the same priority as the lien of this Deed of Trust. If Grantor fails to pay any such expenditures, costs and expenses and interest thereon, Beneficiary may, at its option, without foreclosing the lien of this Deed of Trust, commence an independent action against Grantor for the recovery of the expenditures and/or advance any undisbursed Loan proceeds to pay the expenditures. As used herein, "Prime Rate" shall mean, on any date, the rate of interest publicly announced from time to time by Beneficiary as its "Prime Rate." The Prime Rate is set based on various factors, including Beneficiary's costs and desired return, general economic conditions, and other factors, and is used as a reference point for pricing some loans. Any change in the Prime Rate shall take effect at the opening of business on the day specified in the public announcement of a change in the Prime Rate.



17. Accelerating Transfers.

(a) As used herein, "Accelerating Transfer" means any sale, contract to sell, conveyance, encumbrance, transfer of full possessory rights, or other transfer of all or any material part of the Collateral or any interest in it, whether voluntary, involuntary, by operation of law or otherwise and whether or not for record or for consideration except as permitted by the Credit Agreement. Grantor acknowledges Beneficiary is taking actions in reliance on the expertise, skill, experience and reliability of Grantor, and the obligations secured hereby include material elements similar in nature to a personal service contract or ownership interest. In consideration of Beneficiary's reliance, Grantor agrees that Grantor shall not make any Accelerating Transfer without Beneficiary's prior written consent, which Beneficiary may withhold in its sole discretion. Grantor shall pay Beneficiary's actual costs incurred in making its decision to consent to an Accelerating Transfer, including but not limited to the cost of credit reports, an updated appraisal of the Property, an updated environmental assessment and documentation. If any Accelerating Transfer occurs without Beneficiary's prior written consent, Beneficiary in its sole discretion may declare an immediate default and all sums secured by this Deed of Trust to be immediately due and payable, and Beneficiary may invoke any rights and remedies provided herein. This provision shall apply to each and every Accelerating Transfer regardless of whether or not Beneficiary has consented or waived its rights, whether by action or nonaction, in connection with any previous Accelerating Transfer(s).

(b) If all or any part of this Section 17 relevant to a particular Accelerating Transfer is unenforceable according to the law in effect at the time of the Accelerating Transfer, then Grantor shall reimburse Beneficiary for its actual costs incurred in processing the Accelerating Transfer on its records.

18. Release of Parties or Collateral. Without affecting the obligations of any party under the Documents and without affecting the lien of this Deed of Trust and Beneficiary's security interest in the Collateral, Beneficiary and/or Trustee may, without notice (a) release all or any other party now or hereafter liable for any of the Secured Obligations (including Borrower or any Guarantor), (b) release all or any part of the Collateral, (c) subordinate the lien of this Deed of Trust or Beneficiary's security interest in the Collateral, (d) take and/or release any other security for or guarantees of the Secured Obligations, (e) grant an extension of time for performance of the Secured Obligations, (f) modify, waive, forbear, delay or fail to enforce any of the Secured Obligations, (g) sell or otherwise realize on any other security or guaranty prior to, contemporaneously with or subsequent to a sale of all or any part of the Collateral, (h) make advances pursuant to the Documents, (i) consent to the making of any map or plat of the Property, and (j) join in the grant of any easement on the Property. Any subordinate lienholder shall be subject to all such releases, extensions or modifications without notice to or consent from the subordinate lienholder. Grantor shall pay any Trustee's, attorneys', title insurance, recording, inspection or other fees or expenses incurred in connection with release of Collateral, the making of a map, plat or the grant of an easement.



ARTICLE 4

1. Insurance.

(a) Grantor shall maintain such insurance on the Collateral as may be required from time to time by Beneficiary, with premiums prepaid, providing replacement cost coverage and insuring against loss by fire and such other risks covered by extended coverage insurance, and such other perils and risks as Beneficiary may require from time to time, including earthquake, loss of rents and business interruption. Grantor also shall maintain comprehensive general public liability insurance and if the Property is located in a designated flood hazard area, flood insurance. All insurance shall be with companies satisfactory to Beneficiary and in such amounts and with such coverages as Beneficiary may require from time to time, with lender's loss payable clauses in favor of and in form satisfactory to Beneficiary. At least thirty (30) days prior to the expiration of the term of any insurance policy, Grantor shall furnish Beneficiary with written evidence of renewal or issuance of a satisfactory replacement policy. If requested Grantor shall deliver copies of all policies to Beneficiary. Each policy of insurance shall provide Beneficiary with no less than forty-five (45) days prior written notice of any cancellation, expiration, non-renewal or modification.

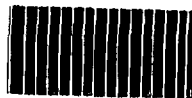
(b) In the event of foreclosure of this Deed of Trust all interest of Grantor in any insurance policies pertaining to the Collateral and in any claims against the policies and in any proceeds due under the policies shall pass to Beneficiary.

(c) If under the terms of any Lease the lessee is required to maintain insurance of the type required by the Documents and if the insurance is maintained for the benefit of both the lessor and Beneficiary, Beneficiary will accept such policies provided all of the requirements of Beneficiary and the Documents are met. In the event the lessee fails to maintain such insurance, Grantor shall promptly obtain such policies as are required by the Documents.

(d) If Grantor fails to maintain any insurance required of it by Beneficiary, or fails to pay any premiums with respect to such insurance, Beneficiary may obtain such replacement insurance as it deems necessary or desirable, or pay the necessary premium on behalf of Grantor, and any sums expended by Beneficiary in so doing shall bear interest at the Default Rate from the date until repaid by Grantor. Any such amounts shall be secured hereby and shall be repaid by Grantor on demand.

2. Damages and Condemnation and Insurance Proceeds.

(a) Except as permitted in the Credit Agreement, Grantor hereby absolutely and irrevocably assigns to Beneficiary, and authorizes the payor to pay to Beneficiary, the following claims, causes of action, awards, payments and rights to payment: (i) all awards of damages and all other compensation payable directly or indirectly



because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Collateral or any interest in it; (ii) all other awards, claims and causes of action, arising out of any warranty affecting all or any part of the Collateral, or for damage or injury to or decrease in value of all or part of the Collateral or any interest in it; (iii) all proceeds of any insurance policies payable because of loss sustained to all or part of the Collateral; and (iv) all interest which may accrue on any of the foregoing.

(b) Grantor shall immediately notify Beneficiary in writing if: (i) any damage occurs or any injury or loss is sustained in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) or more to all or part of the Collateral, or any action or proceeding relating to any such damage, injury or loss is commenced; or (ii) any offer is made, or any action or proceeding is commenced, which relates to any actual or proposed condemnation or taking of all or part of the Collateral. If Beneficiary chooses to do so, it may in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the Collateral, and it may make any compromise or settlement of the action or proceeding. Beneficiary, if it so chooses, may participate in any action or proceeding relating to condemnation or taking of all or part of the Collateral, and may join Grantor in adjusting any loss covered by insurance.

(c) All proceeds of these assigned claims, other property and rights which Grantor may receive or be entitled to shall be paid to Beneficiary. In each instance, Beneficiary shall apply those proceeds first toward reimbursement of all of Beneficiary's costs and expenses of recovering the proceeds, including attorneys' fees.

(d) If, in any instance, each and all of the following conditions are satisfied in Beneficiary's reasonable judgment, Beneficiary shall permit Grantor to use the balance of the proceeds ("Net Claims Proceeds") to pay costs of repairing or reconstructing the Collateral in the manner described below: (i) the plans and specifications, cost breakdown, construction contract, construction schedule, contractor and payment and performance bond for the work of repair or reconstruction must all be acceptable to Beneficiary; (ii) Beneficiary must receive evidence satisfactory to it that after repair or reconstruction, the Collateral will have a value reasonably equivalent to its value immediately before the damage or condemnation occurred; (iii) the Net Claims Proceeds must be sufficient in Beneficiary's determination to pay for the total cost of repair or reconstruction, including all associated development costs; or Grantor must provide its own funds in an amount equal to the difference between the Net Claims Proceeds and a reasonable estimate, made by Grantor and found acceptable by Beneficiary, of the total cost of repair or reconstruction; (iv) Beneficiary must receive evidence satisfactory to it that all Leases which it may find acceptable will continue after the repair or reconstruction is complete; (v) Beneficiary has received evidence satisfactory to it, that reconstruction and/or repair can be completed at least three (3) months prior to the maturity date of the obligations arising under the Loan Agreements are due and payable; and (vi) no Event of Default shall have occurred and be continuing. If the foregoing conditions are met to Beneficiary's satisfaction, Beneficiary shall hold the Net Claims Proceeds and any funds which Grantor is required to provide and shall disburse them to



Grantor to pay costs of repair or reconstruction upon presentation of evidence reasonably satisfactory to Beneficiary that repair or reconstruction has been completed satisfactorily and lien-free. However, if Beneficiary finds that one or more of the conditions are not satisfied, it may apply the Net Claims Proceeds to pay or prepay some or all of the Secured Obligations.

ARTICLE 5

1. Default; Remedies.

(a) The occurrence of any of the following events, shall constitute an "Event of Default" hereunder:

(i) Grantor shall fail to pay when due the whole or any part of any Secured Obligation requiring the payment of money and such failure shall continue for more than three (3) Business Days after the date thereof; or

(ii) any representation or warranty made or deemed made by Grantor in this Deed of Trust shall prove to have been incorrect in any material respect when made or deemed made; or

(iii) Grantor shall fail to perform or observe any covenant, obligation or term of any Document (including this Deed of Trust) the performance of which is a Secured Obligation and does not require the payment of money, and such failure shall remain unremedied for thirty (30) days.

(b) If an Event of Default shall occur, Beneficiary shall have all remedies provided by law and, without limiting the generality of the foregoing or the remedies provided in any other section hereof or in any other Security Document, shall have the following remedies:

(i) the right to foreclose of this Deed of Trust judicially as a mortgage or non-judicially pursuant to the power of sale; and

(ii) the remedies of a secured party under the Uniform Commercial Code; and

(iii) all other remedies which may be available in law or equity.

Beneficiary's exercise of any right, power or remedy shall in no event constitute a waiver of any Event of Default nor prejudice the right of Beneficiary in the exercise of any right hereunder. Beneficiary's failure to enforce any of its rights, powers or remedies upon the occurrence of an Event of Default shall not constitute a waiver of the default or any subsequent default of its rights and remedies with respect to such default. In the event of foreclosure, the cost of the title premium for the trustee's sale guaranty (or equivalent title policy or report) shall be paid for by Grantor and shall be added to and be a part of the



Unofficial Document
Secured Obligations. If this Deed of Trust or any of the other Security Documents are referred to an attorney for enforcement or for preservation of Beneficiary's rights or remedies, and whether or not suit is filed or any proceedings are commenced, all of Beneficiary's costs and expenses incurred in connection therewith including, without limitation, trustee's and reasonable attorneys' fees (including reasonable attorneys' fees for any appeal, bankruptcy proceeding or any other proceeding), accountants' fees, appraisal and internal appraisal review fees, inspection fees (including inspections for hazardous substances, asbestos containing materials, and compliance with building and land use codes and regulations), engineering fees, and expert witness fees and costs of title reports shall be added to and be a part of the Secured Obligations and shall be payable on demand.

2. **Cumulative Remedies.** To the fullest extent allowed by law, all of Beneficiary's and Trustee's rights and remedies specified in the Security Documents (including this Deed of Trust) are cumulative, not mutually exclusive and not in substitution for any rights or remedies available at law or in equity. Without waiving its rights in the Collateral, Beneficiary may proceed against Grantor, any other party obligated to pay or perform the Secured Obligations or against any other security or guaranty for the Secured Obligations, in such order or manner as Beneficiary may elect. Except where prohibited by applicable law, the commencement of proceedings to enforce a particular remedy shall not preclude the commencement of other proceedings to enforce a different remedy.

3. **Entry.** If an Event of Default shall occur, Beneficiary, in person, by agent or by court appointed receiver, may enter, take possession of, manage and operate all or any part of the Collateral, and may also do any and all other things in connection with those actions that Beneficiary may consider necessary and appropriate to protect the security of this Deed of Trust, including taking and possessing all of Grantor's or the then owner's books and records; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Grantor; completing any unfinished construction; and/or contracting for and making repairs and alterations. Grantor hereby irrevocably constitutes and appoints Beneficiary as its attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures. Although the foregoing power of attorney is effective immediately, Beneficiary shall not exercise the power until the occurrence of an Event of Default.

4. **Appointment of Receiver.** If an Event of Default shall occur, Grantor consents to, and Beneficiary, to the fullest extent permitted by applicable law, shall be entitled, without notice, bond or regard to the adequacy of the Collateral, to the appointment of a receiver for the Collateral. The receiver shall have, in addition to all the rights and powers customarily given to and exercised by a receiver, all the rights and powers granted to Beneficiary by the Intercreditor Agreement and the Security Documents. The receiver shall be entitled to receive a reasonable fee for management of the Property. If Grantor is an



occupant of the Property, Beneficiary has the right to require Grantor to pay rent at fair market rates and the right to remove Grantor from Property if Grantor fails to pay rent.

5. Sale of Property after Default. Following the occurrence of an Event of Default and the foreclosure of this Deed of Trust, either judicially or non-judicially, the Collateral may be sold separately or as a whole, at the option of Beneficiary. In the event of a trustee's sale of the Collateral pursuant to the power of sale granted herein, Beneficiary hereby assigns its security interest in the personal property Collateral to the trustee. Beneficiary may also realize on the personal property Collateral in accordance with the remedies available to secured parties under the Uniform Commercial Code or at law. In the event of a trustee's sale, Grantor, and the holder of any subordinate liens or security interest with actual or constructive notice hereof, waive any equitable, statutory or other right they may have to require marshaling of assets in connection with the exercises of any of the remedies permitted by applicable law or provided herein, or to direct the order in which any of the Collateral will be sold in the event of any sale under this Deed of Trust or foreclosure in the inverse order of alienation.

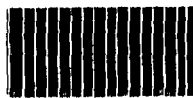
6. Foreclosure of Lessee's Rights; Subordination. Beneficiary shall have the right, at its option, to foreclose this Deed of Trust subject to the rights of any lessees of the Property. Beneficiary's failure to foreclose against any lessee shall not be asserted as a claim against Beneficiary or as a defense against any claim by Beneficiary in any action or proceeding. Beneficiary at any time may subordinate this Deed of Trust to any or all of the Leases except that Beneficiary shall retain its priority claim to any condemnation or insurance proceeds.

7. Repairs During Redemption. In the event of a judicial foreclosure the purchaser during any redemption period may make such repairs and alterations to the Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring of the Property. Any sums so paid, together with interest from the date of the expenditure at the rate provided in the judgment, shall be added to the amount required to be paid for redemption of the Property.

ARTICLE 6

1. Additional Security Documents. Grantor shall within fifteen (15) days after request by Beneficiary execute and deliver any financing statement, renewal, affidavit, certificate, continuation statement, or other document Beneficiary may request in order to perfect, preserve, continue, extend, or maintain security interests or liens granted herein to Beneficiary and the priority of such security interests or liens. Grantor shall pay all costs and expenses incurred by Beneficiary in connection with the preparation, execution, recording, filing, and refiling of any such document.

2. Reconveyance After Payment. Upon written request of Beneficiary stating that all obligations secured by this Deed of Trust have been satisfied in full, Trustee shall



reconvey, without warranty, the Collateral then subject to the lien of this Deed of Trust. Grantor shall pay any reasonable costs, trustee's fees and recording fees incurred in so reconveying the Property.

3. Nonwaiver of Terms and Conditions. Time is of the essence with respect to performance of the obligations under the Documents. Beneficiary's failure to require prompt enforcement of any such obligation shall not constitute a waiver of the obligation or any subsequent required performance of the obligation. No term or condition of this Deed of Trust may be waived, modified or amended except by a written agreement signed by Grantor and Beneficiary. Any waiver of any term or condition of this Deed of Trust shall apply only to the time and occasion specified in the waiver and shall not constitute a waiver of the term or condition at any subsequent time or occasion.

4. Waivers by Grantor. Without affecting any of Grantor's obligations under any Document to which it is a party, Grantor waives the following: (a) any right to require Beneficiary to proceed against any specific party liable for sums due under the Documents or to proceed against or exhaust any specific security for sums due under the Documents; (b) notice of new or additional indebtedness of Grantor or any other party liable for sums due under the Documents to Beneficiary or any Creditor; (c) any defense arising out of Beneficiary entering into additional financing or other arrangements with Borrower, any Guarantor (including Grantor) or any other party liable for sums due under the Documents and any action taken by Beneficiary or any Creditor in connection with any such financing or other arrangements or any pending financing or other arrangements; (d) any defense arising out of the absence, impairment, or loss of any or all rights of recourse, reimbursement, contribution or subrogation or any other rights or remedies of Beneficiary against Borrower, any Guarantor (including Grantor) or any other party liable for sums due under the Documents or any Collateral; and (e) any obligation of Beneficiary or any Creditor to see to the proper use and application of any proceeds advanced pursuant to the Documents.

5. Right of Subrogation. Beneficiary is subrogated to the rights, whether legal or equitable, of all beneficiaries, mortgagees, lienholders and owners directly or indirectly paid off or satisfied in whole or in part by the proceeds of any credit extended by Beneficiary or any Creditor under the Documents, regardless of whether such parties assigned or released of record their rights or liens upon payment.

6. Books and Records. Grantor will keep and maintain, at Grantor's address stated above, or such other place as Beneficiary may approve in writing, accurate books and records of the operations of Grantor and of the Property, and copies of all leases, contracts, agreements and other documents which affect the operation of the Property, subject to examination and copying at any reasonable time by Beneficiary.

7. Payment of New Taxes. If any federal, state or local law is passed subsequent to the date of this Deed of Trust which requires any Beneficiary or any Creditor to pay any tax because of this Deed of Trust or the sums due under the Documents (excluding income taxes),



then Grantor shall pay to such party or parties on demand any such taxes if it is lawful for Grantor to pay them, or, in the alternative Grantor may repay all sums due under the Documents plus any prepayment fee within thirty (30) days of such demand.

8. In-House Counsel Fees. Whenever Grantor is obligated to pay or reimburse Beneficiary, Trustee or any Creditor for any attorneys' fees, those fees shall include the reasonable allocated costs for services of in-house counsel.

9. Notices. Any notice given by Grantor, Trustee or Beneficiary shall be given in the manner prescribed for notices, and such notices shall be effective, as set forth in the Intercreditor Agreement.

10. Other Agreements. The terms of this Deed of Trust are intended to supplement and not to replace or be replaced by the terms of the other Security Documents and the rights and remedies herein provided to Beneficiary are intended to be cumulative of and in addition to all rights and remedies conferred by the other Security Documents.

11. Severability. In case any one or more of the provisions contained in this Deed of Trust is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

12. Legislation Affecting Beneficiary's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of this Deed of Trust unenforceable according to its terms, Beneficiary, at its option, may require Grantor to pay to Beneficiary an amount equal to the then existing fair market value of the Property. Such amounts shall be payable on demand and shall be credited by Beneficiary against the Secured Obligations in accordance with the Intercreditor Agreement.

13. Rules of Construction. This Deed of Trust shall be construed so that, whenever applicable, the use of the singular shall include the plural, the use of the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited partnerships, limited liability companies and other forms of entities. This Deed of Trust inures to the benefit of, and binds all parties named herein and their successors and assigns. The headings to the various sections have been inserted for convenience of reference only and shall not be used to construe this Deed of Trust.

14. Governing Law. This Deed of Trust shall be construed and enforced in accordance with the laws of the State of Washington.

15. Intercreditor Agreement. BENEFICIARY ACKNOWLEDGES AND AGREES THAT THIS DEED OF TRUST IS SUBJECT TO THE PROVISIONS OF THE



INTERCREDITOR AGREEMENT AND THAT THE RIGHTS AND OBLIGATIONS OF
BENEFICIARY ARE GOVERNED THEREBY.

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust the day and year
first above written.

NORTHLAND SERVICES, INC., a Washington
corporation

By [Signature]
Its V.P.

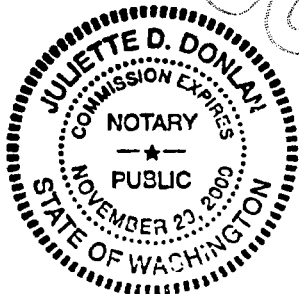
SCHEDULE:

Schedule A Real Property Description

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 29th day of October, 1999, before me, a Notary Public in and for
the State of Washington, personally appeared Barry L. Hochler, personally known
to me (or proved to me on the basis of satisfactory evidence) to be the person who executed
this instrument, on oath stated that he was authorized to execute the instrument, and
acknowledged it as the V.P. of NORTHLAND SERVICES, INC.,
to be the free and voluntary act and deed of said corporation for the uses and purposes
mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and
year first above written.



Juliette D. Donlan
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle
My appointment expires 11/23/2000



SCHEDULE A

THIS SCHEDULE IS PART OF THE DEED OF TRUST DATED NOVEMBER 1, 1999, AMONG NORTHLAND SERVICES, INC., AS GRANTOR, RAINIER CREDIT COMPANY, AS TRUSTEE, AND BANK OF AMERICA, N.A., AS COLLATERAL AGENT FOR CERTAIN CREDITORS, AS BENEFICIARY.

PARCEL A:

THAT PORTION OF L. M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF EAST MARGINAL WAY SOUTH AND CORSON AVENUE SOUTH;
THENCE NORTH 49° 00' 00" WEST ALONG THE CENTERLINE OF EAST MARGINAL WAY SOUTH 300.08 FEET;
THENCE NORTH 89° 58' 06" WEST 812.81 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;
THENCE CONTINUING NORTH 89° 58' 06" WEST 839.41 FEET TO THE EASTERLY LINE OF COMMERCIAL WATERWAY NO. 1;
THENCE NORTH 43° 32' WEST ALONG SAID EASTERLY LINE 262.22 FEET;
THENCE SOUTH 89° 58' 06" EAST 839.41 FEET;
THENCE SOUTH 43° 32' EAST 262.22 FEET TO THE TRUE POINT OF BEGINNING;

(ALSO BEING KNOWN AS TRACTS 6 AND 7, AND THAT PORTION OF THE PUBLIC WHARF ADJOINING ON THE WEST OF SAID TRACTS IN KING COUNTY INDUSTRIAL TRACTS, ACCORDING TO THE UNRECORDED PLAT THEREOF),

AND THE NORTH HALF OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF L. M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF EAST MARGINAL WAY SOUTH WITH THE CENTERLINE OF CORSON AVENUE SOUTH;
THENCE NORTH 49° 00' 00" WEST ALONG THE CENTERLINE OF EAST MARGINAL WAY SOUTH, A DISTANCE OF 300.08 FEET;
THENCE NORTH 89° 58' 06" WEST TO THE SOUTHWESTERLY LINE OF FOX AVENUE SOUTH, AS ESTABLISHED BY ORDINANCE NO. 78819 AND ORDINANCE NO. 90327 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 89° 58' 06" WEST TO THE NORTHEASTERLY MARGIN OF THE DUWAMISH WATERWAY;
THENCE SOUTH 43° 32' 00" EAST ALONG SAID MARGIN, A DISTANCE OF 110.41 FEET;
THENCE SOUTH 89° 58' 06" EAST TO SAID SOUTHWESTERLY LINE OF FOX AVENUE SOUTH;
THENCE NORTH 43° 32' 00" WEST ALONG SAID SOUTHWESTERLY LINE TO THE TRUE POINT OF BEGINNING;

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KING COUNTY, WA

SAID NORTH HALF BEING A STRIP OF LAND 40 FEET IN WIDTH AND PREVIOUSLY DESCRIBED AS THE NORTH HALF OF WILLOW STREET ADJOINING ON THE SOUTH AND LYING WESTERLY OF THE SOUTHWESTERLY LINE OF FOX AVENUE SOUTH.

PARCEL B:

THAT PORTION OF L. M. COLLINS DONATION CLAIM NO. 46 IN THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF CORSON AVENUE SOUTH AND EAST MARGINAL WAY SOUTH IN THE CITY OF SEATTLE;
THENCE NORTH 49° 00' WEST ALONG THE CENTERLINE OF SAID EAST MARGINAL WAY 658.39 FEET,
THENCE NORTH 89° 58' 06" WEST ALONG THE NORTH LINE OF WILLOW STREET SOUTH, (45 FEET WIDE) IN THE RECORDED PLAT OF KING COUNTY INDUSTRIAL TRACTS, 765.70 FEET TO THE TRUE POINT OF BEGINNING OF THE DESCRIPTION OF THE LAND HEREIN CONVEYED;
THENCE CONTINUING NORTH 89° 58' 06" WEST 839.41 FEET TO THE EAST LINE OF COMMERCIAL WATERWAY NO. 1;
THENCE SOUTH 43° 32' EAST ALONG SAID EAST LINE 62.11 FEET;
THENCE SOUTH 89° 58' 06" EAST ALONG THE SOUTH LINE OF SAID WILLOW STREET SOUTH (NOW KNOWN AS SOUTH BRIGHTON STREET) 839.41 FEET;
THENCE NORTH 43° 32' WEST ALONG THE WEST LINE OF FOX AVENUE (40 FEET WIDE) IN SAID UNRECORDED PLAT, 62.11 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL C:

THAT PORTION OF THE WEST HALF OF THE L. M. COLLINS DONATION CLAIM NO. 46, TOWNSHIP 24 NORTH, RANGE 4 EAST W.M., AND THE ABANDONED BED OF THE DUWAMISH RIVER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF CORSON AVENUE SOUTH WITH THE CENTERLINE OF EAST MARGINAL WAY SOUTH;
THENCE NORTH 49° 00' WEST ALONG SAID CENTERLINE OF EAST MARGINAL WAY SOUTH 658.39 FEET;
THENCE NORTH 89° 58' 06" WEST 765.70 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 43° 32' WEST 500 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF A TRACT CONVEYED TO ARTHUR BRINSMEAD BY DEED RECORDED UNDER RECORDING NO. 5204292;
THENCE NORTH 85° 15' EAST ALONG SAID SOUTHERLY LINE TO AN ANGLE POINT THEREIN;
THENCE SOUTH 80° 50' EAST 42.15 FEET TO THE SOUTHEASTERLY CORNER OF SAID BRINSMEAD TRACT;
THENCE NORTH 82.33 FEET TO THE NORTHEAST CORNER THEREOF;
THENCE ALONG THE NORTH LINE THEREOF SOUTH 86° 42' 38" SECONDS WEST 447.50 FEET AND SOUTH 65° 05' 13" WEST 387.77 FEET TO THE EASTERLY BOUNDARY OF DUWAMISH WATERWAY;
THENCE SOUTH 43° 32' 00" EAST ALONG SAID EASTERLY BOUNDARY TO A POINT WHICH BEARS NORTH 89° 58' 06" SECONDS WEST FROM THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89° 58' 06" EAST 835 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING;

ALL SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON

